



**ST BENEDICT'S COLLEGE**

Date: 05/07/2022

Time: 3 hours

Examiner: Ms. L. French

Total: 300 marks

Moderators: Mr A. Hlekani and Mrs M. Nichas

Grade 12

Name: _____

Surname: _____

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY

1. This question paper consists of 32 pages. Please check that your question paper is complete.
2. Read the questions carefully.
3. All questions are **COMPULSORY**.
4. Answer ALL the questions on the question paper in the spaces provided and hand this in at the end of the examination. Remember to write your name in the space provided, on this question paper.
5. When answering the questions, where applicable, demonstrate insight. You may refer to any retail business (with specific emphasis on general retailers), that you have studied.
6. You are advised to pay particular attention to the use of language and the **allocation of marks**.
7. It is in your own interest, to write legibly and present your work neatly.
8. TWO blank pages (pages 31 and 32) are included at the end of the paper. If you run out of space to answer a specific question, use these pages. Clearly indicate the question number of your answer, should you use this extra space.

Q1	Q2	Q3	Q4	Q5	Q6	Q7	TOTAL
							<u> </u> /300

QUESTION 1

Indicate the **most correct** answer by writing the letter of the alternative you have chosen in the space provided at the bottom of each page.

1.1 An example of internal recruitment is ...

- A. company website
- B. recruitment agency
- C. intranet
- D. all of the above

(2)

1.2 Which one of the following is **NOT** part of the marketing communication mix?

- A. Advertising
- B. Social media
- C. Price
- D. Personal sales

(2)

1.3 The aim of the Skills Development Act 97 of 1998 is to ...

- A. promote entrepreneurship through training.
- B. ensure employees are treated fairly in the workplace.
- C. redress imbalances of the past.
- D. provide a mechanism to set minimum wages.

(2)

1.4 Which of the following issues will **NOT** be dealt with by the employer and Workplace Forum (WPF)?

- A. Job grading.
- B. Strategic direction.
- C. Criteria for merits and bonuses.
- D. Education and training.

(2)

1.5 An employee who takes risks and innovates from within, is known as the...

- A. Entrepreneur
- B. Intrapreneur
- C. Leader
- D. Manager

(2)

1.1	1.2	1.3	1.4	1.5

- 1.6 Which of the following is **NOT** true with regards to Debentures.
- A. Sometimes called bonds and directly associated with mortgage bonds.
 - B. It is a letter of credit sold to raise capital.
 - C. Debenture holder, will receive interest as ROI.
 - D. There is no capital growth associated with debentures. (2)
- 1.7 ... is a non-profit organisation, that promotes reporting on sustainability issues by creating a Sustainability Reporting Framework.
- A. FTSE/JSE Responsible Investment Index
 - B. Corporate Social Responsibility (CSR)
 - C. Corporate Social Investment (CSI)
 - D. Global Reporting Initiative (GRI) (2)
- 1.8 An employee is entitled to 30 days sick leave in a ... year cycle if he or she works a 5 day week.
- A. three
 - B. two
 - C. one
 - D. seven (2)
- 1.9 Dismissal due to misconduct occurs when...
- A. an employee is careless and fails to meet deadlines.
 - B. an employee operates heavy machinery under the influence of alcohol.
 - C. an employee's work is of poor standard.
 - D. an employee's work is incomplete or inaccurate. (2)
- 1.10 The aim of, ... is to establish industrial peace by ensuring high worker morale and a functioning workplace, where productivity is high.
- A. Collective bargaining
 - B. Industrial action
 - C. Industrial relations
 - D. Mediation and arbitration (2)

1.6	1.7	1.8	1.9	1.10

- 1.11 The responsibility of a manager is to ...
- A. maintain systems.
 - B. focus on systems and structure.
 - C. make sure that individual employee tasks are completed.
 - D. all of the above. (2)
- 1.12 A ... is a tool used to plan, evaluate and improve the performance of employees.
- A. Continuous Skills Development
 - B. Quality control
 - C. Performance appraisal
 - D. Teamwork (2)
- 1.13 One main objective of the financial function is ...
- A. differentiation
 - B. diversification
 - C. increase profitability
 - D. performance-gap (2)
- 1.14 A return offered to an investor, who has invested funds in equities would be ...
- A. profit
 - B. dividends
 - C. interest
 - D. inflation (2)
- 1.15 A Disadvantage of long-term insurance is ...
- A. a large portion of the monthly premium paid, may be taken by the Life Assurer for administration and handling fees.
 - B. mortgage loans usually have a life assurance policy linked to them.
 - C. insured transfers risks to the insurance company.
 - D. peace of mind, not having to worry about uncertainties. (2)

1.11	1.12	1.13	1.14	1.15

1.16 This clause requires that the insured (Pick and Pay) keeps a record of available stock in a strong room, that cannot be destroyed in a fire.

- A. Average clause
- B. Iron safe clause
- C. Proximate clause
- D. Indemnity clause

(2)

1.17 An unethical practice, could be when the retail business, ...

- A. prices products lower than direct competition products.
- B. puts the house brand on sale at the end of the month.
- C. sells products at a 50% discount after the sell-by date.
- D. employs people, who do not live in the immediate community.

(2)

1.18 Which one of the following is **NOT** a test, that can be used during the selection process?

- A. Work sample test
- B. Medical examination
- C. Psychometric test
- D. Fringe benefit test

(2)

1.19 Consumer buying power will decrease when ...

- A. government increases interest rates.
- B. there is a 7% increase in inflation.
- C. there is an increase in foreign investment.
- D. the Rand strengthens against foreign currencies.

(3)

1.20 Strategies can either be a formal ... to achieve a ... or short-term goal, or it can simply be a ..., implemented to improve the overall performance of a business.

- A. business plan, long, plan of action
- B. research plan, medium, plan of maintenance
- C. business plan, medium, plan of action
- D. market research, long, plan of action

(3)

1.16	1.17	1.18	1.19	1.20

1.21 Delegation is necessary to reduce the workload of senior employees, which in turns provides subordinates with ... and is an element of ...

- A. motivation, management competencies.
- B. leadership, management competencies.
- C. responsibility, management task.
- D. communication, management task.

(3)

1.22 Pick and Pay (asap!) has formed a joint venture with Takealot Group to, ...

- A. expand on-demand delivery service capabilities.
- B. share all financial and responsibilities of the core business equally.
- C. flood the market with basic necessities.
- D. benefits from the same culture and leadership styles.

(3)

1.23 A business resource is valuable and has the potential to create a sustainable competitive advantage if ...

- (i) it is durable.
- (ii) it does not lose value (depreciate).
- (iii) it is difficult for competitors to copy the resource.
- (iv) it is difficult to imitate the resource.

- A. (i)
- B. (i) and (ii)
- C. (ii), (iii) and (iv)
- D. (i), (ii), (iii) and (iv)

(3)

1.24 Intangible resources of Pick and Pay, could include ...

- A. scarce raw materials, financial resources and patent.
- B. goodwill, an established brand and a workforce with good morale.
- C. buildings, goodwill and scarce raw material.
- D. an established brand, patent and financial resources.

(3)

1.21	1.22	1.23	1.24

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QUESTION 2

Choose the **most correct answer** from the terms in the table below that best match the statement below.

Write down the **most correct answer** in the space provided in each statement.

Note: There is only one correct answer for each statement.

The right to privacy	Financial perspective	Security
Transformational	Fidelity insurance	Consequence-based
Psychological factor	CPA	EEA
Utilitarian theory	Laissez-faire	Customer perspective
Ethical	Organisational	Horizontal integration
Social factor	BBBEE	Benchmarking
Forward integration	Principle-based	Unethical

2.1 _____ requires suppliers have to display the prices of goods and services in full view of the consumer.

2.2 _____ is when the business looks at what is “best practice” in the industry.

2.3 _____ beliefs, attitudes and previous experiences with the product and/or personal motivation.

2.4 _____ taken out to protect the business from dishonest employees.

2.5 The _____ theory states that the person’s values, morals or ingrained set of rules about what is right or wrong, will determine if the person sees the action as ethical or not.

2.6 The purpose is to give financial _____ to the insured at retirement, or to the insured’s dependants when he/she dies or in the event of becoming disabled.

2.7 A manager who follows _____, a management style believes that he or she should not interfere in the process of carrying out a task.

2.8 _____ awareness, requires management to be mindful of internal, as well as external factors, that may have an impact on the success of a business.

2.9 _____ leader, is charismatic by nature.

2.10 According to the _____ theory, the outcome of the action will determine if the action is ethical or not.

[20]



QUESTION 3

Choose the term in brackets, that makes the statement **TRUE**. **Underline your answer.**

3.1 A (**takeover/joint venture**) takes place when two or more businesses enter into an agreement to combine resources in order to improve the functioning of both businesses.

3.2 (**Indemnity/Security**), means that the insured will be put in the same financial position as before the event, but the insured will not gain any profits.

3.3 If a business is bankrupt, it leads to (**solvency/liquidation**).

3.4 When two businesses (**merge/franchise**), the individual businesses no longer exist separately, the businesses combine to form one new business entity.

3.5 A (**retrenchment/divestiture**) strategy, focuses on selling off some of its operations, because assets used in these operations are underutilised.

3.6 (**Subrogation/Excess**) is a % of the claim as stipulated by the policy that determines what the insured needs to pay, as this will not be covered by the insurance policy.

3.7 (**Inspection/Sampling**), is a statistical method of quality control, where a certain number of items are tested from the entire batch.

3.8 The (**Delphi Technique/Force Field Analysis**), is used as a method to obtain anonymous opinions of experts, on a particular topic.

3.9 (**Resource-Based Approach/Balance Score Card**), describes the key outcomes that the business would like to evaluate, to improve these outcomes.

3.10 (**Decision Tree/Pros and Cons chart**), is a visual representation of different outcomes and the consequences of a single event.

3.11 During (**conciliation/mediation**), the CCMA representative will make recommendations on how the dispute should be settled, if related to a potential strike.

3.12 Showing (**initiative/respect**) means a manager is not waiting for other people to think of new ways, to improve his or her department.

3.13 The (**Constitution/Labour Legislation**), forms the basis of all other laws in the country and both private and businesses, have to abide by this law. [26]

SECTION B

Use the mark allocation as a guide to calculate the length of your answer.

QUESTION 4

4.1 Discuss how Checkers could make use of the following **strategies** to gain a bigger market share.

a. Brand Stretching

(3)

b. Brand Extension

(3)

4.2 By using of examples, discuss how Pick and Pay can change any **three** P's of their **marketing mix** to gain a competitive advantage. Important: the examples must be based on a retail store.

Marketing Mix		
A. (1) Example: (3)	B. (1) Example: (3)	C. (1) Example: (3)

4.3

4.3.1 Name **three pricing strategies** that can be used as part of the overall marketing strategy.

- _____
- _____
- _____

(3)

4.4 Differentiate between the **Value Chain Analysis** and the **Resource Based Analysis**.

Value Chain Analysis	Resource Based Analysis

(4)

4.5 Define each of the **coporate strategies** listed below and briefly discuss how each of these strategies could be used by management, to ensure that Pick and Pay grow the business' turnover and sales volume.

4.5.1 Market Penetration

Define:

 _____ (2)

Discuss:

 _____ (3)

4.5.2 Diversification

Define:

 _____ (2)

Discuss:

 _____ (3)

4.6 Every team must have clear objectives and agreed goals, in order to succeed.

Discuss **three** reasons, why **teamwork is important to the success** of Pick and Pay.

 _____ (6)

4.7 Top management is responsible for formulating a **vision and mission** for the business. Explain these two concepts.

 _____ (4)

13

4.8 Name a **Generic Strategy**.

- _____ (1)

4.9 What are possible strategies that a business can implement to improve "Total Customer Satisfaction Ratings"?

(4)

[50]



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QUESTION 5

Read the following extract before answering the questions that follow:

Self-controlled shoppers

With this highly cautious mindset in place, one of the South African consumers' strategies, is to manage their household spending by budgeting ahead or watching their spend while shopping. Brand loyalty has also been weakened, leading consumers to more frequently select the lowest price product. Lastly, consumers now prefer larger packs to manage their expenses.

(Source: <https://nielseniq.com/global/en/insights/analysis/2022/south-africans-shifting-shopping-habits-in-a-changing-world/>)

5.1 List **four entrepreneurial characteristics** a owner of a Spar franchise should demonstrate, when adapting to consumer behaviour.

- _____
- _____
- _____
- _____

(4)

5.2 Explain how a **democratic management style**, can impact Spar's **decision making process**.

(6)

Pick n Pay
Inspired by you

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5.3 Consider the competitive advantage of a retailer when analysing the market environment, by using **Porter's six forces**.

Complete the table below, which highlights some of the possible **challenges** retailers could have encountered.

5.3.1 **Challenge:** Checkers attract Spars's customers, as result of the Checkers sixty 60 delivery services.

A. Identify Porter's force to which the challenge belongs.

(1)

B. Explain the effect of this challenge on Spar.

(2)

C. Devise a strategy on how Spar could respond to the challenge.

(2)

5.3.2 **Challenge:** When Amazone-go, opens a retail store in Bedfordview.

A. Identify Porter's force to which the challenge belongs.

(1)

B. Explain the effect of this challenge on Spar.

(2)

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C. Devise a strategy on how Spar could respond to the challenge.

(2)

5.3.3 **Challenge:** Pick and Pay packs their "No Name Chips", in close proximity to the sweet and the other savoury snacks.

A. Identify Porter's force to which the challenge belong.

(1)

B. Explain the effect of this challenge on Pick and Pay.

(2)

C. Devise a strategy on how Pick and Pay could respond to the challenge.

(2)

amazon go
grocery

17

5.3.4 **Challenge:** Checkers is the exclusive supplier of Saikav Foods (dhal products).

D. Identify Porter's force to which the challenge belongs.

(1)

E. Explain the effect of the challenge on Checkers.

(2)

F. Devise a strategy for how Checkers could respond to the challenge.

(2)

5.4 Show the business control over the following **business environments**.

- Micro environment - _____ control.
- Market environment - _____ control. (2)

5.5 Why is it important for a retailer to offer the consumers to **purchase on credit** in a modern retail business?

(8)

18

5.6 Complete the diagram below.

a. Describe the macro environment.

(2)



Illustrate the negative impact, that the following factors will have on Spar.

b. Physical location:

(2)

c. Natural resources:

(2)

d. Social:

(2)

e. Economical:

(2)

[50]



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SECTION C

The following aspects will be considered when marks are allocated in this section:

- Format:
 - The CORRECT format must be used, i.e. business report.
 - Where applicable, include an introduction and conclusion.
 - Use headings and subheadings where appropriate.
- Terminology: correct business terminology should be used.
- Content: must be sufficient to cover all aspects of the question.
- Substantiation: justification for statements made.
- Creative problem-solving rather than just giving theoretical facts.
- Synthesis and appropriate sequencing.

QUESTION 7

Study the following sources before answering the questions that follows:

SOURCE A

(Source: <https://www.ppmattorneys.co.za/king-iv-why-you-should-comply/>; Date accessed 2022/05/30)

SOURCE B

(Source: <https://online.hbs.edu/blog/post/types-of-corporate-social-responsibility/>; Date accessed 2022/05/30)

Until recently, in business practice, there was a perception that companies were operating solely to gain profit to satisfy their shareholder expectations. The majority of retail companies have recognized the need to combine their activities with ethics and in particular with their obligations toward society or the environment.

However, the perception of ethical issues has changed radically and become important to not only measure business success based on profit, but the impact on society and the environment. If a company wants to be perceived as a reliable business partner and a respected member of the business sector, it should demonstrate a high level of Corporate Governance to ensure business ethics principles and practices, and it must practice outstanding ethical behaviour.

Write a business report where you inform the retail managers about the importance of Corporate Governance to future business prospects.

Focus on the following aspects:

- Founding principles of the King report.
- Corporate Social responsibility.
- Suggest strategies that retailers can use to overcome unethical behaviour (challenges).

[50]